

FISCAL NOTE

HB 96 - SB 176

February 4, 2005

SUMMARY OF BILL: Requires long-term care facilities to maintain adequate liability insurance. The requirements for insurance for the facilities shall be set by the board for licensing health care facilities.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$100,000

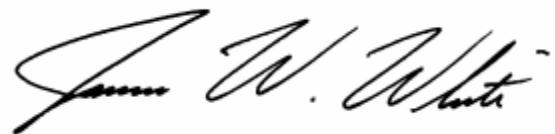
Other Fiscal Impact – Increase Federal Expenditures – Exceeds \$200,000

Assumptions:

- The Board for Licensing Health Care Facilities will set requirements greater than are currently in place.
- Long-term care facilities will raise rates in order to pay for the increased cost of liability insurance.
- TennCare currently pays for approximately 72% of the beds in long-term care facilities. Insurance is an allowable cost and any increase would be included as a cost factor in the reimbursement rate, thus increasing state and federal TennCare expenditures.
- The Department of Health will have a not significant increase in expenditures fiscal impact to promulgate regulations and monitor long-term care facilities for compliance. This cost can be absorbed in the agency's budget.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director